

FISCAL IMPACT STATEMENT ON BILL NO. **S.499**

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TO:	The Honorable David Thomas, Chairman, Senate Banking and Insurance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Kenneth Brown		
DATE:	March 12, 2007	SBD:	2007209

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AUTHOR:	Senator Rankin	PRIMARY CODE CITE:	38-90-810
SUBJECT:	Coastal Captive Insurance Companies		

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:  
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:  
\$0 (No additional expenditures or savings are expected)

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**BILL SUMMARY:**

The Bill enacts the "South Carolina Coastal Captive Insurance Act of 2007", provides for the manner in which a South Carolina Coastal Captive Company may be formed, licensed and regulated, defines and limits the types of risk underwritten, establishes minimum capitalization requirements, permits the Director of the Department of Insurance to set additional discretionary capitalization requirements, and provides for certain required disclosures.

**EXPLANATION OF IMPACT:**

The Department of Insurance indicates that this Bill would require additional General Fund of the State totaling \$65,000. Recurring costs of \$60,000 would be needed for salary and fringe benefits for a Financial Analyst FTE position needed to manage these types of insurance companies. One time funding of \$5,000 would be need to obtain office furniture, computer equipment and software.

**LOCAL GOVERNMENT IMPACT:**

None.

**SPECIAL NOTES:**

None.

Approved by:



Don Addy  
Assistant Director, Office of State Budget